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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 001582

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SUBJECT: PM MALIKI TELLS CODEL PELOSI: IRAQ WANTS

FRIENDSHIP, NOT TO BE A BURDEN

Classified By: Ambassador Ryan C. Crocker for reasons 1.4 (b) and (d).

11. (C) Summary. Prime Minister Nuri al-Maliki told CODEL Pelosi and the Ambassador on May 17 that Iraq is making great political and security strides this year. When asked about Iraq's relationship with its Arab neighbors, PM Maliki responded that Iraq receives little support and added Iraq should not be saddled with Saddam-era debts to these countries. Regarding Iran, he asked the United States not to put Iraq in the middle of its conflicts. Regarding the Strategic Framework Agreement (SFA), PM Maliki commented that it would first receive approval from the Political Council on National Security (PCNS), which he added should ease its passage through the CoR. When pressed by CODEL Pelosi on spending Iraq's budget surplus and passing an oil law, Maliki said that a USD 10 billion supplemental as well as the draft oil law should be transmitted soon to the Council of Representatives (CoR). When Rep. Pelosi pressed PM Maliki on the diminishing patience of the United States, Maliki asked for ongoing friendship and support in achieving Iraq's goals. End summary.

IRAQ ON A POSITIVE PATH

¶2. (C) PM Nuri al-Maliki opened his meeting with CODEL Pelosi (Speaker of the House, Nancy Pelosi, D-CA; Rep. Steny Hoyer, D-MD; Rep. Adam Putnam, R-FL; Rep. John Larson, D-CT; Rep. Howard Berman, D-CA; Rep. Gary Ackerman, D-NY; Rep. Alcee Hastings, D-FL; and Rep. Jane Harman, D-CA) by painting a positive picture of Iraq's progress this year. He said the Iraqi Security Forces (ISF) are making significant strides in improving security, and noted the current operation in Mosul as another accomplishment. He noted that Coalition Forces were of great help there as well as during recent operations in Basra and Baghdad. He discussed improvements in building political consensus among the political blocs, adding Iraq is now "liberated" to move on to its economic challenges. He thanked the United States for its contributions in security and other areas. When asked by Rep. Putnam regarding security gains this year, Maliki responded that Iraq had once been on the verge of a civil war, but that problems in Baghdad and elsewhere have now improved. In response to some comments from Rep. Jane Harman (D-CA) regarding improvements in the Ministry of Interior, Maliki noted that sectarianism has decreased significantly.

IRAQ'S NEIGHBORS, IRAN

13. (C) When asked by House Foreign Relations Committee Chairman Rep. Berman (D-CA) about Iraq's relationship with neighboring countries such as Saudi Arabia and Iran, Maliki said there is a national decision that Iraq is completely sovereign and should have good, normal relations with all its neighbors. In the past divisions among Iraqis brought foreign intervention. The Iraqis will not permit Iranian interference. The U.S.-Iranian conflict is another matter. Iraq will not allow Iran to attack the U.S. in Iraq -- and vice versa. Maliki said that Iraq is receiving little

support from Saudi Arabia and its other neighbors. He added, "We need to develop relations with them, we do not need their money." Regarding Iraq's debt to its neighbors, Maliki blamed these on Saddam's regime and stressed Iraq should not have to repay these debts. "We paid instead with blood because of his wars," he said. He also asked that Iraq's neighbors provide support to Iraq in preventing foreign fighters and terrorists from transiting their borders.

STRATEGIC FRAMEWORK AGREEMENT

14. (C) Asked whether Iraq's Council of Representatives (CoR) would consider the Strategic Framework Agreement (SFA), PM Maliki said the Iraqi negotiating team would take the agreement to the Political Council on National Security (PCNS) first to obtain guidance. He told CODEL Pelosi there is progress in moving past points of friction. He explained that the PCNS includes leaders of all parties, making it easier for the Iraqi negotiating team to resolve any issues before it is sent to the CoR. When asked whether the SFA would include provisions if Iraq is attacked by a neighboring country, the PM responded that this is what Iraq is seeking. When pressed as to what the U.S. response was, Maliki said, "We will find out." Speaker Nancy Pelosi then stressed that in this case, the SFA would need to go to Congress. She noted this doesn't mean it wouldn't be passed, but stressed that approval from Congress would be necessary. PM Maliki responded to Speaker Nancy Pelosi, "You know your own system." He then added that if the SFA was a Memorandum of Understanding instead, it would be non-binding and would not need to go to the CoR.

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IRAQ'S BUDGET

 $\P5.$ (C) Rep. Alcee Hastings (D-FA) asked about Iraq's USD 30 billion budget surplus. PM Maliki explained there is actually only a USD 10 billion surplus, with another USD 20 billion in the Central Bank of Iraq (CBI) not under direct control of the GOI. Maliki continued to explain the budget for 2008 was USD 48 billion. The USD 10 billion surplus, he said, will be part of a supplemental request that will be submitted to the CoR. He also noted the CoR approved a USD 5 billion reconstruction plan for infrastructure improvements in oil, electricity, transportation, and other sectors. Rep. Hastings then pressed PM Maliki hard on the lack of resources devoted towards internally displaced people (IDPs) from Iraq. PM Maliki noted in response that the GOI offered USD 25 million to Syria, Lebanon, and Jordan to help them with refugee support. He explained the GOI is working hard to bring IDPs back to Iraq and that the Ministry of Migration and Displacement is leading this effort through financial support (i.e. rehabilitating homes). He also added that USD 200 million in a reserve fund is allocated to support this effort. "Many of them have expertise we need here," he said. He also asked for help and commented he hasn't seen much assistance from the international community on the issue.

REDUCING DEPENDENCE

16. (C) Rep. John Larson (D-CT) stressed the high cost of USG assistance to Iraq, remarking that USD 3 trillion dollars has been spent on the war. PM Maliki sympathized, responding, "I understand you have paid in treasure and blood." He agreed that more needs to be done to minimize the cost on the United States and to push more of these costs on the GOI. "This year," he said, "we will see Iraqi Security Forces (ISF) take on more security, which will help to reduce the dependency on U.S. forces."

"WE WANT FRIENDSHIP, NOT TO BE A BURDEN"

- ¶7. (C) In a response to a question from Rep. Gary Ackerman (D-NY) regarding the status of the oil law, PM Maliki expressed optimism the law would pass soon. He said there is agreement on the Council of Ministers (CoM) draft from February 2007 and added it will be sent to the CoR shortly. He was also optimistic about the provincial elections law. In closing, Rep. Pelosi highlighted that the war in Iraq is rapidly losing popularity in the United States. In response, PM Maliki expressed understanding and thanked the United States for its help in ridding Iraq from a dictatorship. "We want friendship," he noted, "not to be a burden."
- $\underline{\ }\ 18.$ (U) Rep. Pelosi did not have the opportunity to clear this cable before departing. CROCKER